



Mayor's Office of Economic Growth Services  
Presentation  
to the  
The Citizens Revenue Review and Economic  
Competitiveness Commission

**March 11, 2010**



# Economic Growth Services

- Mission
  - Business attraction and retention
  - Help stimulate growth in emerging markets and revitalizing older business
  - Help businesses navigate the City's regulatory environment



## Economic Growth Services

- BEAR Team (Business Expansion Attraction Retention)
  - Business and Industry Incentive Program (CP 900-12)
  - Guaranteed Water for Industry Program (CP 400-09)
  - Business Cooperation Program (R-288034)
  - General business assistance



# Economic Growth Services

- **Government Incentives Team**

- State of California Enterprise Zones
- Federal Renewal Community Program
- Federal Foreign Trade Zone
- State of California Recycling Market Development Zone

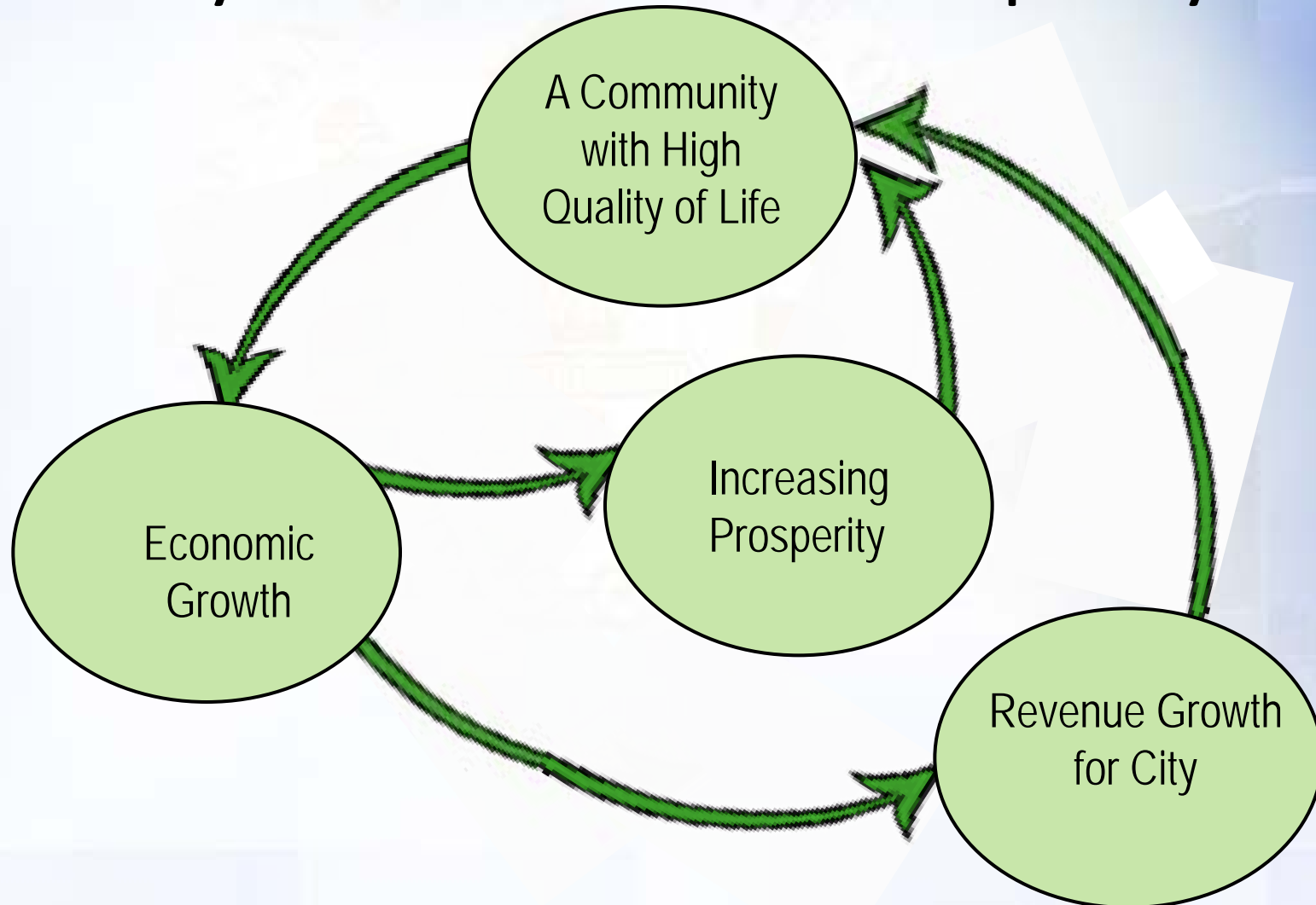


# Economic Growth Services

- Priority goals identified by the Mayor
  1. Retaining, attracting, growing businesses in San Diego
  2. Developing a Cleantech industry cluster
  3. Getting our fair share of funding from Washington and Sacramento
  4. Streamlining regulations which inhibit business growth



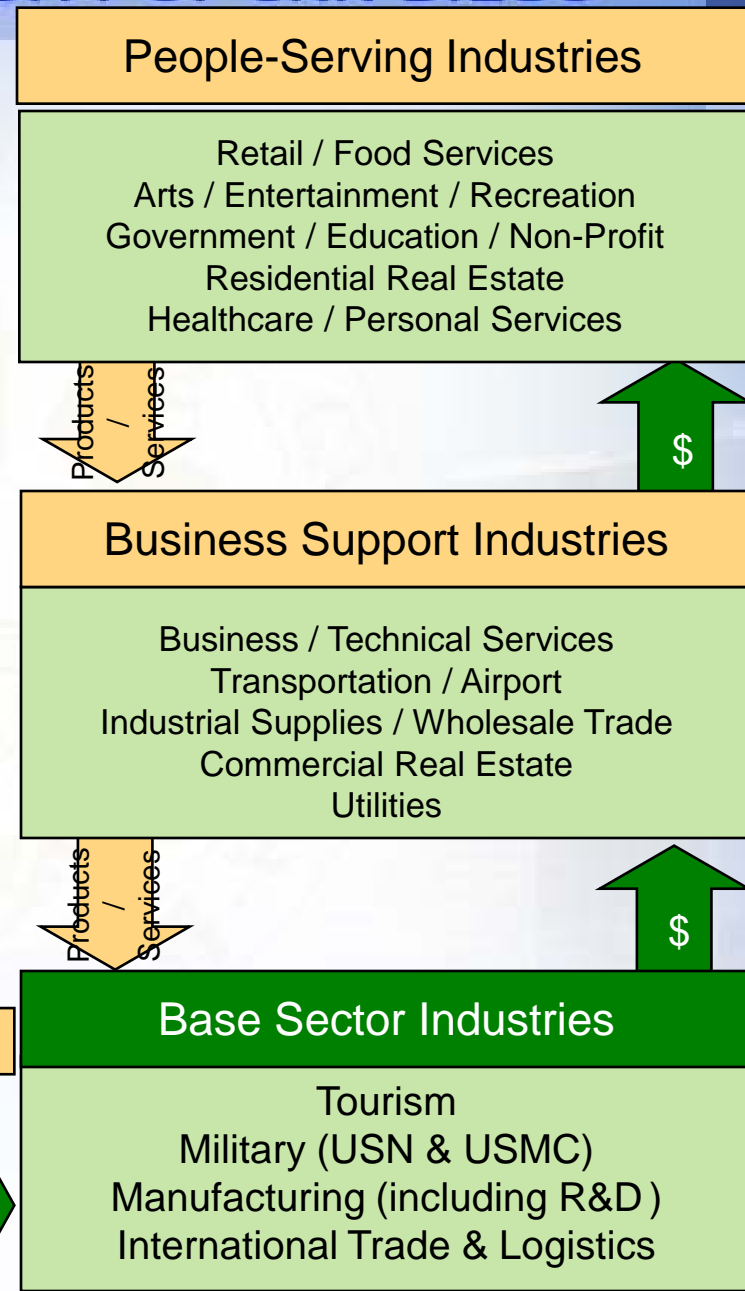
# Cycle of Economic Prosperity





## Base Sector Industries Drive Rest of the Economy

Because they bring outside dollars into the community, base sector industries are the *engines of the economy*. Without healthy base sector industries, the rest of the economy cannot prosper.





# Base vs. Non-Base Activity

- Global competition for base economic activity
- Impact of government regulation and taxation on base versus non-base economic activity
- Within the region San Diego accommodates a disproportionately high level of non-base economic activity
  - Professional offices (Finance, Insurance, Real Estate, Medical, Law Firms)
  - County, State, and Federal offices
  - Regulated Public Utilities (Cox, Time-Warner, SDG&E, ATT)





# Barriers to Economic Development

- Proposition 218
- California's system and rate of taxation
- California's business regulatory climate
- Supply / cost of energy and water
- California Workmen's Comp. Insurance
- Overall perception of California's business climate
- Other states and regions are more competitive in these areas



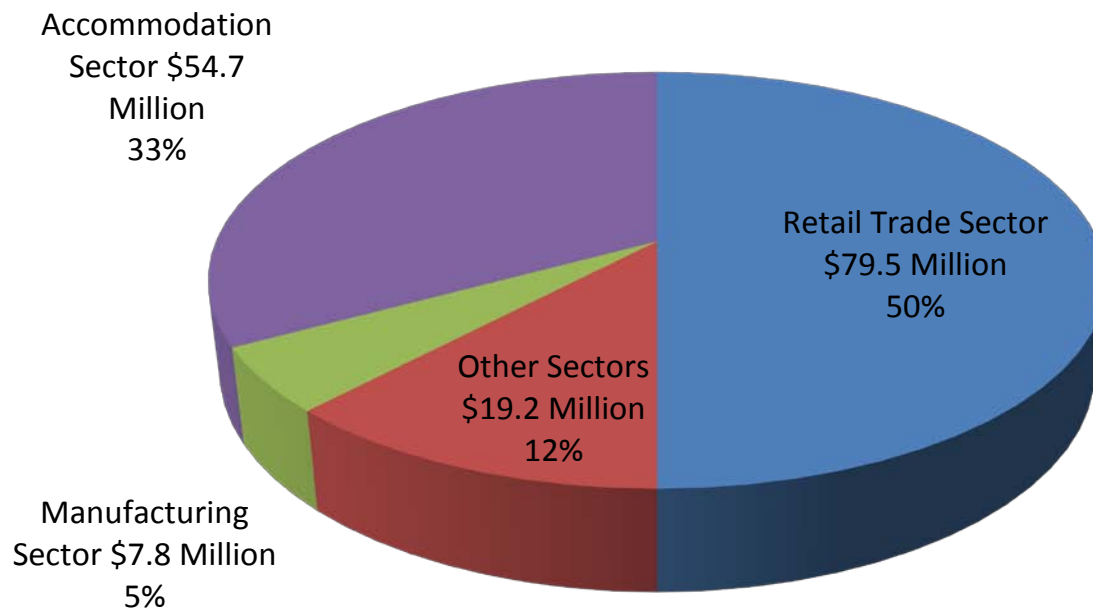
## San Diego's Advantages

- Highly skilled workforce
- Moderate climate
- Existing business clusters and well established support networks
- Proximity to Mexico/Pacific Rim and the availability of air, land, and sea ports
- Largest concentration of military in the world
- Limited traffic impacts



# Economic Snapshot

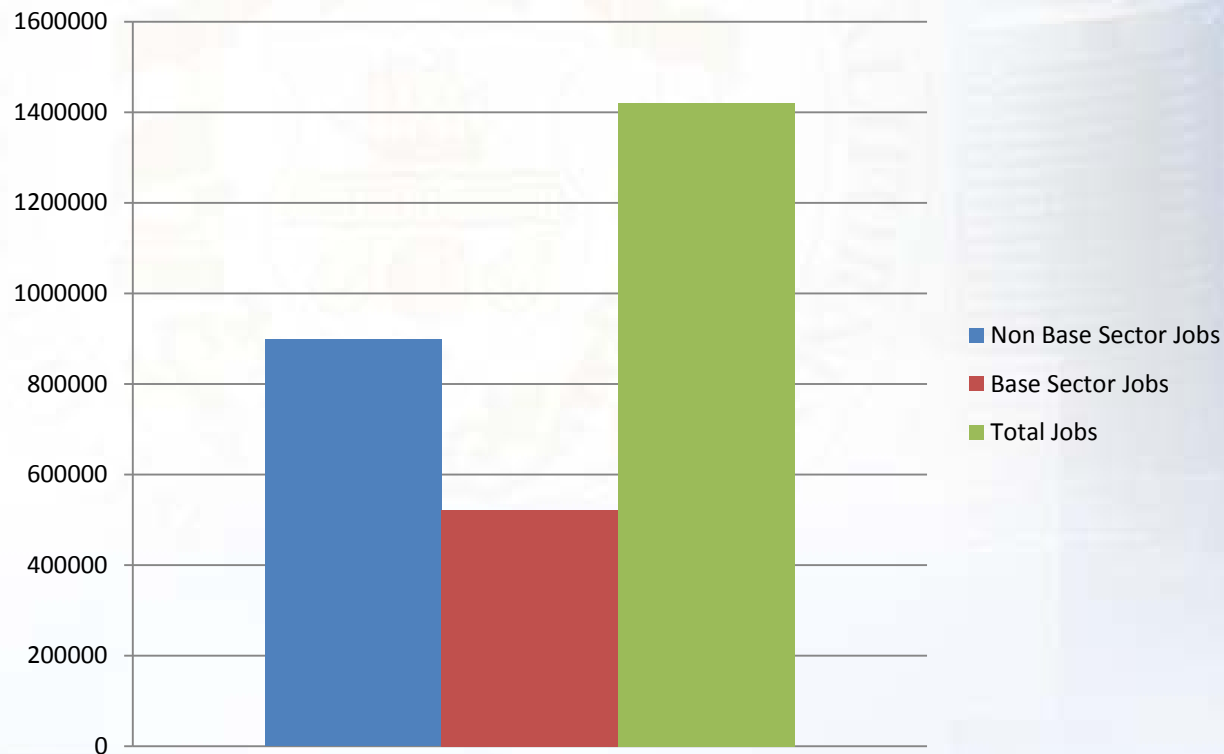
## 100 Largest Taxpayers in 2009 By Economic Sector \$160 Million





# Economic Snapshot

## Non-Base Sector Dependent on Base Sector Employment





# Economic Snapshot

## Percentage of Small / Medium and Large Business in San Diego:

93% Small Companies

With 12 or Fewer Employees

7% Medium and Large Companies

With 13+ Employees



# San Diego's Economic Future

- Four sectors will continue to lead the way:
  - Military (U.S.N. & U.S.M.C.)
  - Tourism
  - International Trade & Logistics
  - Manufacturing / Research
    - Cleantech
    - Biotech
    - Telecom/Wireless
    - Defense & Security



# Conclusion

- Focus on Development of Economic Base
  - Importance of base economic activity
  - Produces quality jobs and sustainable revenues
  - Base Sector business development has an excellent track record:

Tourism – Defense & Security – Electronics – Biotech –  
Telecom/Wireless - International Trade & Logistics -  
Software



# Conclusion

- New Industry Clusters which could grow in San Diego
  - Cleantech Products
  - Wireless Health Systems
  - Food Products